

PERFORMANCE AUDIT
OF THE

FISHERIES DIVISION

DEPARTMENT OF NATURAL RESOURCES

April 2000

EXECUTIVE DIGEST

FISHERIES DIVISION

INTRODUCTION

This report, issued in April 2000, contains the results of our performance audit* of the Fisheries Division, Department of Natural Resources.

AUDIT PURPOSE

This performance audit was conducted as part of the constitutional responsibility of the Office of the Auditor General. Performance audits are conducted on a priority basis related to the potential for improving effectiveness* and efficiency*.

BACKGROUND

The Fisheries Division of the Department of Natural Resources is responsible for fisheries management in the State. The mission* of the Division is to protect and enhance the public trust in populations and habitat of fishes and other forms of aquatic life and to promote optimum use of these resources for the benefit of the people of Michigan.

The Division is composed of four units: fish production, research and assessment, program services, and field operations. The Division fulfills its responsibilities through research and assessment of the State's lakes, rivers, and streams to understand the habitat of the fishery resources. Also, the Division operates six fish hatcheries. The six

* See glossary at end of report for definition.

hatcheries together in 1998 stocked 21,667,246 fish in the Great Lakes and 22,964,099 fish in inland lakes and streams.

The quantity and location of fish stockings are based on extensive analysis of the Division's fish biologists in the field.

Each fish stocking is the culmination of the Division's united team effort working toward better fishery management. All fish stocking requests are subjected to a peer review before the final stocking is allowed. Each request then goes through a management review process to be approved for stocking.

The Division had operating appropriations of \$21,967,300 for fiscal year 1998-99 and 226 full-time and seasonal employees as of September 30, 1999.

AUDIT OBJECTIVE,
CONCLUSION, AND
NOTEWORTHY
ACCOMPLISHMENTS

Audit Objective: To assess the effectiveness and efficiency of the Fisheries Division operations.

Conclusion: We concluded that the Fisheries Division operations were effective and efficient. We did not note any reportable conditions* .

Noteworthy Accomplishments: On August 31, 1991, the Fisheries Division employed 273 persons. In 1997, the Division implemented an early-out program and lost many employees. As of September 30, 1999, the Division had 226 full-time and seasonal employees. Although staff size was reduced, the Division was still meeting the needs of the public and the stocking requests were being

* See glossary at end of report for definition.

adequately met. We noted that employees were enthusiastic and dedicated toward the mission of the Division.

**AUDIT SCOPE AND
METHODOLOGY**

Our audit scope was to examine the program and other records of the Fisheries Division. Our audit was conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included such tests of the records and such other auditing procedures as we considered necessary in the circumstances.

To accomplish our objective, we examined the Fisheries Division's records and activities for the period October 1, 1995 through October 31, 1999.

Our audit procedures included interviewing Division staff and reviewing applicable statutes, laws, appropriations acts, rules, policies, and procedures. We visited 2 hatcheries, 3 research facilities, and 1 field operations office to gain an understanding of, observe, and analyze the Division's programs. We analyzed the Division's program reports, fish stocking records, minutes of management meetings and public meetings, and other records that related to the Division's planning process, operating procedures, and administration for its programs.

In addition, we surveyed informed stakeholders (see supplemental information) to evaluate stakeholder satisfaction with the Division's method of addressing citizens' concerns and complaints.

PRIOR AUDIT FOLLOW-UP	The Division complied with 1 of the 2 recommendations from our prior audit of the Division's programs. The other prior audit recommendation will be followed up in our biennial Single Audit* of the Department.
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* See glossary at end of report for definition.

Mr. Keith J. Charters, Chairperson
Natural Resources Commission
and
Mr. K.L. Cool, Director
Department of Natural Resources
Stevens T. Mason Building
Lansing, Michigan

Dear Mr. Charters and Mr. Cool:

This is our report on the performance audit of the Fisheries Division, Department of Natural Resources.

This report contains our executive digest; description of agency; audit objective, scope, and methodology and prior audit follow-up; comment; a description of survey and summary of survey responses, presented as supplemental information; and a glossary of terms.

The *Michigan Compiled Laws* and administrative procedures require that the audited agency develop a formal response within 60 days after release of the audit report.

We appreciate the courtesy and cooperation extended to us during this audit.

Sincerely,

Thomas H. McTavish, C.P.A.
Auditor General

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Description of Agency

The Fisheries Division of the Department of Natural Resources is responsible for fisheries management in the State. The mission of the Division is to protect and enhance the public trust in populations and habitat of fishes and other forms of aquatic life and to promote optimum use of these resources for the benefit of the people of Michigan.

The Department has divided the State of Michigan into four watershed basin areas: Lake Huron, Lake Superior, Lakes Erie and St. Clair, and Lake Michigan. The Division developed a Joint Citizens Advisory Committee for each watershed basin area made up of Department personnel and involved people from around Michigan who meet regularly to gather input from the public about their fishing needs.

The Division is composed of four units: fish production, research and assessment, program services, and field operations. The Division fulfills its responsibilities through research and assessment of the State's lakes, rivers, and streams to understand the habitat of the fishery resources. Also, the Division operates six fish hatcheries. The six hatcheries together in 1998 stocked 21,667,246 fish in the Great Lakes and 22,964,099 fish in inland lakes and streams.

The Division submits yearly fish stocking records of the Great Lakes and inland lakes and streams to show the number of fish produced. The Division also produces sport fish restoration annual reports for projects completed within the year. In addition, the Division has created a strategic plan and a prescription form manual for stocking fish.

The Division had operating appropriations of \$21,967,300 for fiscal year 1998-99 and 226 full-time and seasonal employees as of September 30, 1999. The Division is primarily funded from license fees collected in the Game and Fish Protection Fund (\$15,702,200) with additional funding from federal grants (\$6,126,700), the State's General Fund (\$138,200), and miscellaneous sources (\$200).

Audit Objective, Scope, and Methodology and Prior Audit Follow-Up

Audit Objective

The objective of our performance audit of the Fisheries Division, Department of Natural Resources, was to assess the effectiveness and efficiency of the Fisheries Division operations.

Audit Scope

Our audit scope was to examine the program and other records of the Fisheries Division. Our audit was conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included such tests of the records and such other auditing procedures as we considered necessary in the circumstances.

Audit Methodology

Our audit procedures were conducted during July through November 1999 and included examination of the Fisheries Division's records and activities for the period October 1, 1995 through October 31, 1999.

To establish our audit methodology, we interviewed Division staff and reviewed applicable statutes, laws, appropriations acts, rules, policies, and procedures. We visited 2 hatcheries, 3 research facilities, and 1 field operations office to gain an understanding of, observe, and analyze the Division's programs. We analyzed the Division's program reports, fish stocking records, minutes of management meetings and public meetings, and other records that related to the Division's planning process, operating procedures, and administration for its programs.

In addition, we surveyed informed stakeholders (see supplemental information) to evaluate stakeholder satisfaction with the Division's method of addressing citizens' concerns and complaints.

Prior Audit Follow-Up

The Division complied with 1 of the 2 recommendations from our prior audit of the Division's programs. The other prior audit recommendation will be followed up in our biennial Single Audit of the Department.

COMMENT

EFFECTIVENESS AND EFFICIENCY OF OPERATIONS

COMMENT

Background: The Fisheries Division has six fish hatcheries throughout Michigan. Each hatchery stocks fish into lakes and streams around the State. The hatcheries are also used to increase populations of certain species, and they encourage economically efficient and stable recreational fishing. The quantity and location of fish stockings are based on extensive analysis of the Division's fish biologists in the field. Each fish stocking is the culmination of the Division's united team effort working toward better fishery management. All fish stocking requests are subjected to a peer review before the final stocking is allowed. Each request then goes through a management review process to be approved for stocking. The six hatcheries together in 1998 stocked 21,667,246 fish in the Great Lakes and 22,964,099 fish in inland lakes and streams.

The Division has divided Michigan into four watershed basin areas and has developed a Joint Citizens Advisory Committee for each water basin area. The committees meet regularly to discuss fish production, research, resources, work plans, and activities planned. Also, the Division performed and finished 24 research reports and technical reports during fiscal years 1995-96 through 1997-98. The Division, as a whole, works over 100 days a year on projects such as salmon egg takes, creel surveys* , Great Lakes sport fish monitoring, and fishing information and correspondence.

Audit Objective: To assess the effectiveness and efficiency of the Fisheries Division operations.

Conclusion: We concluded that the Fisheries Division operations were effective and efficient. We did not note any reportable conditions.

* See glossary at end of report for definition.

Noteworthy Accomplishments: On August 31, 1991, the Fisheries Division employed 273 persons. In 1997, the Division implemented an early-out program and lost many employees. As of September 30, 1999, the Division had 226 full-time and seasonal employees. Although staff size was reduced, the Division was still meeting the needs of the public and the stocking requests were being adequately met. We noted that employees were enthusiastic and dedicated toward the mission of the Division.

SUPPLEMENTAL INFORMATION

Description of Survey

We developed a survey requesting input from informed stakeholders regarding their association with the Fisheries Division of the Department of Natural Resources. The people surveyed were members of boating associations, fishing associations, and conservation clubs who had shown an interest in the fishery management activities of the Division by attending or receiving minutes of the Division's Statewide management unit meetings.

The Division regularly conducts creel surveys to obtain input from persons fishing in the State. We reviewed the creel survey results and decided to survey those stakeholders who would not be included in creel surveys. We selected individuals who were representative of fishery related organizations in order to obtain a more educated, overall broader perspective of the Division's fishery management activities' effects on stakeholders. We conducted a phone survey of 10 individuals. A review of the responses indicated that most respondents were highly satisfied with the Division's operations. We found that the majority of the respondents were happy with the improvements that the Division had made in the past two years; however, some responses indicated that the Division was understaffed.

DEPARTMENT OF NATURAL RESOURCES
Fisheries Division
Summary of Survey Responses

Number of persons surveyed: 10

1. Are you satisfied with the Fisheries Division's structure for public input?

<u>Very Satisfied</u>	<u>Satisfied</u>	<u>Dissatisfied</u>
9 90%	1 10%	0

2. How well does the Fisheries Division address public input into decisions related to fisheries?

<u>Very Well</u>	<u>Not Sure</u>	<u>Not Well Enough</u>
10 100%	0	0

3. How would you evaluate the Fisheries Division's stocking programs and other projects?

<u>Satisfactory</u>	<u>Could Improve</u>	<u>Not Satisfactory</u>
8 80%	2 20%	0

4. Do you have any other comments or concerns about the Fisheries Division?

Not enough manpower for everyday work	4	40%
Gave a good rating	3	30%
Improved from past two years	2	20%
Need to improve prioritization/allocation of staff time to programs	1	10%

Glossary of Terms

creel survey	A survey of anglers regarding what fish they caught.
effectiveness	Program success in achieving mission and goals.
efficiency	Achieving the most outputs and outcomes practical for the amount of resources applied or minimizing the amount of resources required to attain a certain level of outputs or outcomes.
mission	The agency's main purpose or the reason the agency was established.
performance audit	An economy and efficiency audit or a program audit that is designed to provide an independent assessment of the performance of a governmental entity, program, activity, or function to improve public accountability and to facilitate decision making by parties responsible for overseeing or initiating corrective action.
reportable condition	A matter coming to the auditor's attention that, in the auditor's judgment, should be communicated because it represents either an opportunity for improvement or a significant deficiency in management's ability to operate a program in an effective and efficient manner.
Single Audit	A financial audit performed in accordance with the Single Audit Act Amendments of 1996 that is designed to meet the needs of all federal grantor agencies and other financial report users. In addition to performing the audit in

accordance with the requirements of generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, a Single Audit requires the assessment of compliance with requirements that could have a direct and material effect on a major federal program and the consideration of internal control over compliance in accordance with U.S. Office of Management and Budget Circular A-133.